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Manchac Volunteer Fire Department

Annual Financial Statements

As of and for the Year Ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05

**Manchac Volunteer Fire Department
Manchac, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2004**

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TRANSMITTAL LETTER

Annual Financial Statements

April 5, 2005

Office of Legislative Auditor
Attention: Ms. Suzanne Elliott
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Elliott:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for Manchac Volunteer Fire Department as of and for the year ended December 31, 2004. The report includes all funds under the control and authority of the Department. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

A handwritten signature in black ink that reads "Carmen B. Reno". The signature is written in a cursive style with a large, stylized 'C' and 'R'.

Ms. Carmen Reno, Treasurer
Manchac Volunteer Fire Department

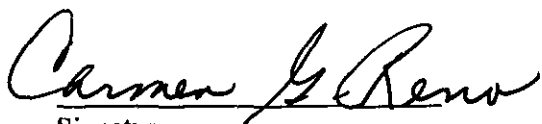
Enclosure

**Manchac Volunteer Fire Department
Manchac, Louisiana**

Annual Sworn Financial Statements as of and for the Year Ended December 31, 2004

AFFIDAVIT

Personally came and appeared before the undersigned authority, Ms. Carmen Reno, Treasurer, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of Manchac Volunteer Fire Department as of December 31, 2004, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.


Signature

Sworn to and subscribed before me this 05 day of May, 2005.


Notary Public

MALONE R. WILLIAMS
Public, Tangipahoa Parish, LA
Commission is issued for life
I.D. No. 010544

Officer:	Carmen Reno, Treasurer
Address:	Post Office Box 20 Manchac, Louisiana 70421
Telephone:	(985) 386-8658

Bruce C. Harrell, CPA

Dale H. Jones, CPA
Charles P. Hebert, CPA

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ACCOUNTANT'S COMPILATION REPORT

To the Members
Manchac Volunteer Fire Department
Manchac, Louisiana

We have compiled the accompanying statement of financial position of Manchac Volunteer Fire Department (a nonprofit organization) as of December 31, 2004, and the related statements of activities and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to Manchac Volunteer Fire Department.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

April 5, 2005

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Financial Position
December 31, 2004**

Assets

Cash	\$ 220,857
Due From Tangipahoa Parish Fire Protection District No. 2	<u>24,501</u>
Total Assets	<u><u>\$ 245,358</u></u>

Liabilities and Net Assets

Liabilities:

Accounts Payable	\$ <u>2,052</u>
Total Liabilities	<u>2,052</u>

Net Assets:

Unrestricted	<u>243,306</u>
Total Net Assets	<u>243,306</u>
Total Liabilities and Net Assets	<u><u>\$ 245,358</u></u>

See accompanying notes and accountant's report.

Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Activities
For the Year Ended December 31, 2004

	<u>Unrestricted</u>
Revenues and Public Support	
Tangipahoa Parish Fire Protection District No. 2	\$ 72,656
Interest Income	1,247
Other Income	<u>3,512</u>
Total Revenues and Public Support	<u>77,415</u>
Expenses	
Accounting	5,000
Capital Expenditures, Building	2,875
Fuel & Lubricants	493
Insurance	1,219
Office Supplies	310
Repairs & Maintenance, Building	20,605
Repairs and Maintenance, Equipment	5,136
Fire Station Supplies	479
Telephone	1,838
Miscellaneous Expense	155
Equipment Supplies	9,985
Utilities	<u>6,774</u>
Total Expenses	<u>54,869</u>
Change in Net Assets	22,546
Net Assets, Beginning	<u>220,760</u>
Net Assets, Ending	<u><u>\$ 243,306</u></u>

See accompanying notes and accountant's report.

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Cash Flows
For the Year Ended December 31, 2004**

Cash Flow From Operating Activities

Change in Net Assets	\$ 22,546
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Change in Due From Tangipahoa Parish Fire Protection District No. 2	-3,697
Change in Accounts Payable	<u>578</u>
Net Cash Provided by Operating Activities	<u>19,427</u>
 Net Increase in Cash	 19,427
Cash, Beginning of Year	<u>201,430</u>
Cash, End of Year	<u>\$ 220,857</u>

See accompanying notes and accountant's report.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

1. Summary of Significant Accounting Policies

A. Nature of the Organization

Manchac Volunteer Fire Department is a nonprofit organization formed to enter into agreements or contracts with nearby communities to provide fire protection and/or establish mutual aid systems. Manchac Volunteer Fire Department is one of the fire departments located in Tangipahoa Parish that comprise Tangipahoa Parish Fire Protection District No. 2. Tangipahoa Parish Fire Protection District No. 2 was created by the Tangipahoa Parish Council on October 20, 1953. Tangipahoa Parish Fire Protection District No. 2 receives ad valorem taxes, state revenue sharing, and fire insurance rebate monies, which are in turn distributed, along with any interest earned, to the individual fire departments in accordance with an annual service agreement.

B. Basis of Presentation

*Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Department is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.*

C. Basis of Accounting

The financial statements of Manchac Volunteer Fire Department have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits, time deposits, and all highly liquid debt instruments with an original maturity of three months or less.

E. Contributions

*The Department accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.*

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

F. Promises to Give

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Donated Materials and Facilities

The Department is allowed use of buildings and fire equipment from Tangipahoa Parish Fire Protection District No. 2. All assets other than cash are the property of Tangipahoa Parish Fire Protection District No. 2 and/or the Tangipahoa Parish Council.

I. Income Tax Status

The Department is classified as a Section 501 (c)(3) organization under the Federal Internal Revenue Code. As a result, it has been determined to be exempt from federal and state income taxes.

2. Cash and Cash Equivalents

At December 31, 2004, the Department has cash and cash equivalents (book balances) totaling \$220,857 as follows:

Demand Deposits	\$ 197,845
Time Deposits	<u>23,012</u>
	<u>\$ 220,857</u>

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At December 31, 2004, the Department has \$226,076 in collected bank balances secured by \$100,000 of federal deposit insurance. The remaining balance of \$126,076 is not secured. Management believes that the risk is limited because the deposits are maintained in high-quality financial institutions.

3. Receivables

Receivables at December 31, 2004 are as follows:

Due From Tangipahoa Parish Fire Protection District No. 2	\$ 24,501
	<u>\$ 24,501</u>

**Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

4. Payables

Payables at December 31, 2004 are as follows:

Accounts Payable	\$ 833
Auto Insurance Deducted From Ad Valorem Taxes	<u>1,219</u>
	<u>\$ 2,052</u>

5. Net Assets

Net assets at December 31, 2004 are as follows:

Unrestricted	\$ 243,306
Temporarily Restricted	-
Permanently Restricted	-
	<u>\$ 243,306</u>

6. Donated Services

During the fiscal year ended December 31, 2004, volunteer workers donated their time in support of the District's activities. The value of this contributed time is not reflected in the accompanying financial statements because no objective basis is available to measure its value.

7. Concentrations

For the fiscal year ended December 31, 2004, \$72,656, or 94%, of the Department's gross revenues was derived from funding provided by Tangipahoa Parish Fire Protection District No. 2.